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Title	The motives of Chinese foreign investments in the Baltic Sea region		
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Abstract

This is the first research, which aims at exploring the motives of Chinese foreign investments in the Baltic Sea region (BSR). In order to analyse Chinese companies from the perspective of their competitiveness, the research problem was further elaborated into two sub-questions:

1. What are the existing sources of competitive assets which the Chinese companies exploit when investing in the Baltic Sea region?
2. What are the alternative sources of competitive assets which the Chinese companies are seeking by investing in the Baltic Sea region?

The theoretical framework introduces motives of FDI from the perspective of asset-exploitation and asset-seeking with a special view on FDI from less developed countries (LDCs). The empirical part consists of five case studies. The multiple case study was selected as a methodological approach as it was considered providing a thorough understanding on the motives of Chinese companies but still providing firm-specific information. Moreover, a single case study method proved to be difficult to conduct due to severe difficulties in getting access to valuable information. The case studies rely mainly on the interviews for which questions were derived from the theoretical framework and the previous researches on Chinese foreign investments. In addition, secondary data was collected from statistical resources, Internet and expert interviews as a background material for the research.

The research findings indicate that Chinese companies are interested in the Baltic Sea region to exploit their existing competitive advantages and to seek new assets. The existing competitive advantages of Chinese companies stem from established networks with other, mainly, Chinese companies, from low cost level, and from product-related know-how. In the BSR, Chinese companies are mainly interested in local knowledge, local and global company networks, product-related know-how, and a possibility to improve image. It is notable that only local knowledge is a kind of an asset which benefits the investor only in the Baltic Sea region markets. Other sources of competitiveness which the Chinese companies were found to seek from the Baltic Sea region, namely networks, product-related know-how and image, improve the investors position not only in the Baltic Sea region but can also be exploited in the home market and globally.

Spatially determined sources of competitiveness seem to have lost their relevance, and thus also Chinese companies are more interested in company networks. As the motives of Chinese companies to invest in the BSR are diverse and the investments are anticipated to increase in the future, this requires activities from the local business, policy-makers and the academia to better adapt to the changes caused by the emergence of Chinese companies within the region.

Key words	Foreign Direct Investment, China, the Baltic Sea region, investment motives, asset-exploitation, asset-seeking, Chinese companies
Further information	

